

ASSEMBLY BILL

No. 775

Introduced by Assembly Member Galgiani

(Principal coauthor: Senator Berryhill)

(Coauthors: Assembly Members Bill Berryhill, Cook, and Jeffries)

(Coauthors: Senators Calderon and Strickland)

February 17, 2011

An act to add Section 25503.34 to the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

AB 775, as introduced, Galgiani. Alcoholic beverages: advertising.

Existing law generally restricts certain alcoholic beverage licensees, including manufacturers and winegrowers, from paying, crediting, or compensating a retailer for advertising in connection with the advertising and sale of alcoholic beverages.

This bill would expressly authorize a beer manufacturer, the holder of a winegrower's license, a California winegrower's agent, a distilled spirits rectifier, a distilled spirits manufacturer, and a distilled spirits manufacturer's agent to provide sponsorship funds, purchase advertising space or time, or furnish, give, lend, rent, or sell specified items to a live entertainment company that is affiliated with an off-sale licensee for live entertainment events in the Counties of San Joaquin, San Luis Obispo, and Stanislaus.

This bill would make legislative findings and declarations as to the necessity of a special statute for the counties described above.

The Alcoholic Beverage Control Act provides that a violation of its provisions is a misdemeanor, unless otherwise specified.

This bill, by including provisions that would be subject to those existing criminal sanctions, would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 25503.34 is added to the Business and
2 Professions Code, to read:
3 25503.34. (a) Notwithstanding any other provision of this
4 chapter, a beer manufacturer, the holder of a winegrower's license,
5 a California winegrower's agent, a distilled spirits rectifier, a
6 distilled spirits manufacturer, and a distilled spirits manufacturer's
7 agent may do the following in connection with a live entertainment
8 company that is affiliated with a holder of an off-sale license if
9 the conditions of subdivisions (b), (c), and (d) are all met:
10 (1) Provide sponsorship funds to, for, or on behalf of, a live
11 entertainment company that is affiliated with a holder of an off-sale
12 license.
13 (2) Purchase advertising space and time from, or on behalf of,
14 a live entertainment company that is affiliated with a holder of an
15 off-sale license.
16 (3) Furnish, lend, rent, or sell equipment, fixtures, supplies,
17 decorations, paintings, or signs to, for, or on behalf of, a live
18 entertainment company that is affiliated with a holder of an off-sale
19 license.
20 (b) The live entertainment company must have as its majority
21 owner a private retail grocery chain of not less than 15 and not
22 more than 65 California store units with an off-sale license and
23 must be managed independently from the grocery chain's alcohol
24 purchasing activities.
25 (c) The activities described in paragraphs (1), (2), and (3) of
26 subdivision (a) must be for, or on behalf of, live entertainment
27 events at venues with a fixed seating capacity of under 27,000

1 seats located in the Counties of San Joaquin, San Luis Obispo, and
2 Stanislaus.

3 (d) Any provision of sponsorship funds, purchase of advertising
4 space or time, or the furnishing, giving, lending, renting, or selling
5 of equipment, fixtures, supplies, decorations, or signs pursuant to
6 this section shall be conducted pursuant to a written contract with
7 the live entertainment company.

8 SEC. 2. Due to the unique circumstances concerning the
9 Counties of San Joaquin, San Luis Obispo, and Stanislaus the
10 Legislature finds and declares that a general statute cannot be made
11 applicable within the meaning of Section 16 of Article IV of the
12 California Constitution. Therefore, this act is necessarily applicable
13 only to the Counties of San Joaquin, San Luis Obispo, and
14 Stanislaus.

15 SEC. 3. No reimbursement is required by this act pursuant to
16 Section 6 of Article XIII B of the California Constitution because
17 the only costs that may be incurred by a local agency or school
18 district will be incurred because this act creates a new crime or
19 infraction, eliminates a crime or infraction, or changes the penalty
20 for a crime or infraction, within the meaning of Section 17556 of
21 the Government Code, or changes the definition of a crime within
22 the meaning of Section 6 of Article XIII B of the California
23 Constitution.